

## Diesel Fuel Letter

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HEADQUARTERS RESOLUTE SUPPORT
COMBINED SECURITY TRANSITION COMMAND – AFGHANISTAN
KABUL, AFGHANISTAN
APO AE 09320

ed by NSD/FARA Registration Unit, 03/02/2021 1:04:23 PM

H.E. Mohammed Khaled Payenda Minister of Finance (Acting) Government of the Islamic Republic of Afghanistan Ministry of Finance Kabul, Afghanistan

Your Excellency Acting Minister Payenda,

I hope you are doing well during these difficult times. I know you are working hard to resolve a number of financial issues, as well as the magnitude of the challenges that have been thrust upon Afghanistan, many of which are byproducts of the COVID pandemic. The country's revenue stream has undoubtedly been impacted, but we and the international community remain optimistic that your recovery is imminent.

CSTC-A will continue to fund the On-Budget program and it is GIRoA's responsibility to ensure the requirements are reflected in the budget. Additionally, your actions in this regard are coupled with the need to assume responsibility for funding at least \$40M worth of diesel fuel. CSTC-A will not delay the diesel fuel transition.

CSTC-A realizes a contract award is unlikely until May or June 2021. Since GIRoA purchases diesel fuel for other elements of the government, the expectation is that a similar contract be awarded via sole source procurement for the Ministries of Defense and Interior Affairs.

I view support for the ANDSF as one of the highest priorities of GIRoA. This is a crucial time for GIRoA as peace talks continue. Showing resolve in terms of support for the security forces is an added benefit during these negotiations, as it shows unyielding support for the soldiers and police.

This document is prepared separately in Dari. In the event of any inconsistency, the English version shall take precedence.

Very respectfully,

E. John Bedrick, Jr. Lieutenant General, U.S. Army Commanding

Combined Security Transition Command-Afghanistan

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سند غير محرم حمايت قاطع و ناتو/ قابل نشر به دولت جمهوري اسلامي افغانستان



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وز او ت محرّوم ماليه



Received by NSD/FARA Registration Unit 03/02/2021 1:04:25 PM



جمهوری اسلامی افغانستان ولسی جرگه کمیسیون امور مالی وبودجه ، محاسبات عمومی وامور بانکها

د افغانستان اسلامي جمهوريت ولسى جرگه دمالى اوپودجى ،عمومى محاسباتواوبانكونو چارو كمبسيون



تاریخ : (۱ ۱۹۹۸)

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20 February 2021

To: The Commanding General; Combined Security Transition Command Afghanistan (CSTC-A)

CC: General Austin Scott Miller, Commander NATO Resolute Support Mission, U.S. Forces Afghanistan Ambassador Ross Wilson, Charge d' Affairs, U.S. Embassy Afghanistan United States Senate Armed Services Committee United States House Armed Services Committee

From: Qazi Mir Afghan Safi, Chairman Budget and Finance Commission, Wolesi Jirga

Subject: Off-Budget to On-Budget Transition of ANDSF Diesel Fuel Contracts

Dear Lieutenant General Deedrick:

The Wolesi Jirga of Afghanistan sends heartfelt prayers and best wishes from the people of Afghanistan that this letter finds you, your family and your colleagues in good health. We really value the alliance and coalition between our two nations and will continue to offer our cooperation, support and assistance to you and your office as you accomplish your challenging mission. As you are undoubtedly aware of the constitutional right of Wolesi Jirga to provide oversight on and will continue to address issues of mutual concern.

We have received a copy of your letter dated February 13, 2021 addressed to the Acting Minister of Finance H.E. Mohammed Khaled Payenda. We greatly appreciate CSTC-A's willingness to continue funding diesel fuel for the ANDSF. Diesel fuel is the lifeblood of the ANDSF's operational readiness, vehicles, equipment, and basic necessity of its installations and outposts. We wholeheartedly agree that support for the ANDSF is one of the highest priorities for GIRoA, as for the Wolesi Jirga. We worked with the Ministries of Finance, Defense and Interior to identify more than \$40 Million of expenditures that ANDSF can assume immediate responsibility for funding, acquisition and sustainment, with minimal risk of corruption or putting combat readiness at risk. These line items include petrol, spare parts, NOC, uniforms, training, local police salaries and back pay, which are all included in the draft of FY1400 national budget. Despite the concrete steps GIRoA has taken to fund and assume responsibility for ANDSF expenditures, your recent letter requests GIRoA contribute at least \$40 Million for the purchase of diesel fuel. This commission cannot appropriate an additional \$40 Million for the purchase of diesel fuel. This commission cannot appropriate an additional \$40 Million for the purchase of diesel fuel.

This commission believes that a hasty transition of diesel fuel contracts from off-budget to on-budget will result in illegal activity, waste, fraud, and abuse, and puts ANDSF combat readiness at risk, jeopardizing our mutually shared goal of having a strong ANDSF capable of defending the country against unprecedented levels of insurgency and violence. Our financial situation in FY1400 is dire as a result of a significant decline in revenues brought on by the battles, we are fighting against COVID-19. Due to stalled Peace process negotiations, violence is expected to significantly rise even more in the coming months, which also disrupts commerce and revenue collection throughout the country. Just last week Afghanistan suffered an unexpected loss of private investment funds, government revenue, and border infrastructure after an explosion and subsequent fire at the Islam Qala customs house outside of Heart amounting to in excess of \$700 Million in losses. The draft FY1400 national budget estimated a revenue of 21 Billion Afghani (approx. \$300 Million) from Islam Qala customs which is going to be added in deficit of the national budget creating more pressure on the nation. GIRoA has taken loan in excess of 17 Billion Afghani (approx. \$250 Million) from International Monetary Fund which puts immense pressure on the nation.

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The Wolesi Jirga, at the recommendation of this commission, has twice rejected the government's draft FY1400 national budget. Reversing cancellation of many critical national development projects that are already underway, reversal or compensation on 17,000 government job cuts, and equalizing pay for hundreds of thousands of government employees, many of whom have not had a pay increase in over fifteen years require our attention and allocation of funds in FY1400 national budget. To emphasize the need for GIRoA to prioritize basic life support for people of Afghanistan and adopt Wolesi Jirga's proposed amendments in FY1400 draft national budget, last week, tens of thousands of ordinary Afghans from all major ethnic groups, most of whom are government employees including teachers and other civil servants, took part in simultaneous public demonstrations in a dozen provinces demanding the government adopt the Wolesi Jirga's proposed amendments to the draft FY1400 national budget. If the voice of ordinary people of Afghanistan is not heard or taken action on, we can see more and strong reactions from them which can lead to disturbed security situation which will further diminish commerce and revenue collection throughout the country. Furthermore, the Wolesi Jirga has serious concerns about your suggestion that GIRoA issue a sole source contract for any procurement as it is clearly against the Clause 10, 11 and 13 of constitution of Afghanistan. We know from recent history that a hastily issued sole source contract opens the door for nefarious activity and jeopardizes ANDSF combat readiness, Afghan taxpayer dollars, and

The Wolesi Jirga is eager to see the day when the ANDSF is self-sufficient, scalable, competent, and sustainable, but we cannot spend money that we do not have or risk the ANDSF's combat readiness with a hasty diesel fuel transition from off-budget to on-budget. As explained, we need allocation of funds in critical areas to compensate urgent and important functions affecting life of ordinary Afghans. The funding, acquisition and sustainment support that CSTC-A provides the ANDSF for diesel fuel contracts is critical to the ANDSF, especially during this most of dangerous of times when the peace process hangs in the balance, insurgent attacks are at their highest, and all indications point to a brutal spring offensive. We strongly encourage you to continue off-budget support of the diesel fuel contracts, while in parallel working with the Wolesi Jirga, and Ministries of Finance, Defense and Interior to further embrace directed advising efforts that further develop the ANDSF's acquisition and sustainment capabilities so GIRoA can properly support an on-budget transition once we get past the COVID-19 pandemic and have sufficient budget to assume additional funding responsibility.

We appreciate your continued good will, partnership, and understanding. Rest assured, the Wolesi Jirga will remain as a key partner and honest broker in supporting a sustainable future for Afghanistan.

The Wolesi Jirga remains ready and available for further discussions and support.

Regards,

Oazi Mir Afghan Safi
Chairman Budget and Finance Commission
Wolesi Jirga, Afghanistan

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